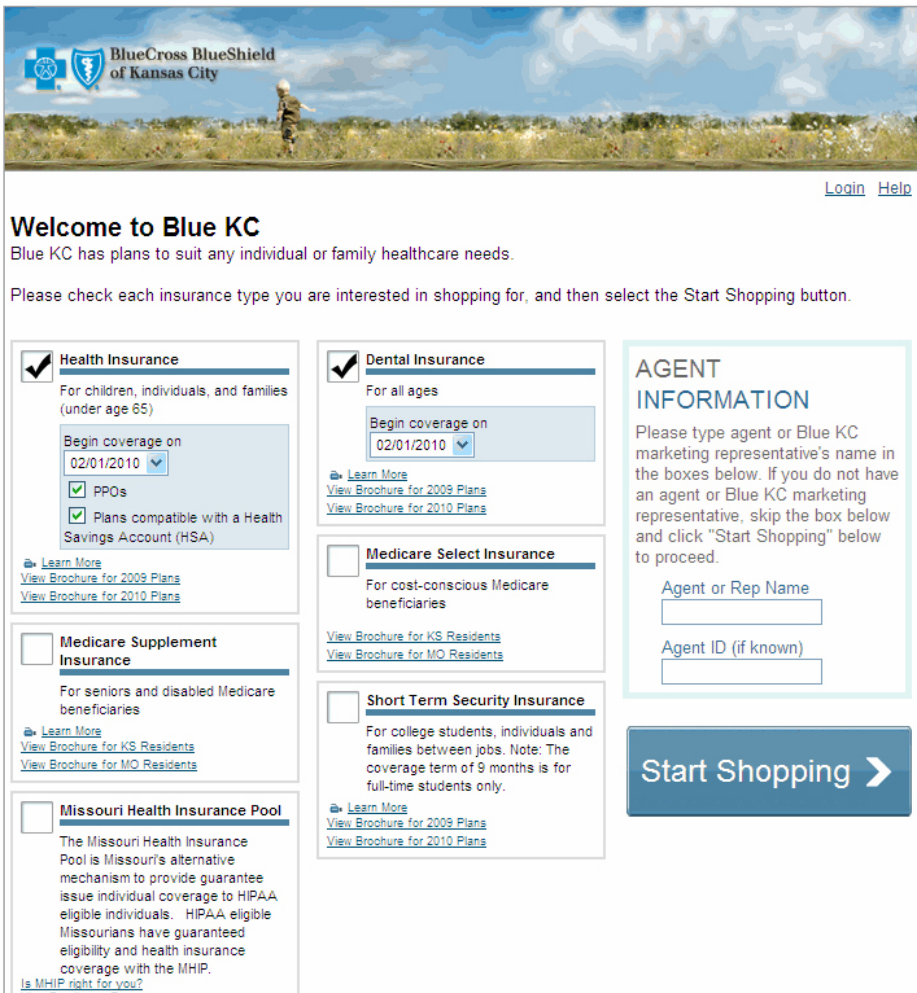


Largest Not-For-Profit Health Insurer in Missouri Offers Wide Range of Benefit Options

Blue Cross and Blue Shield of Kansas City (BCBSKC) serves nearly one million members in 30 counties in greater Kansas City and northwest Missouri, and Johnson and Wyandotte counties in Kansas. Formed in 1938, BCBSKC is the largest not-for-profit health insurer in Missouri and the only not-for-profit commercial health insurer in Kansas City. The company offers a wide range of health insurance and ancillary benefit options for employers and individuals. In addition, it provides a comprehensive, turnkey wellness program for its members..

Prolonged Application Processing Hindered Sales Potential for the Individual Market

The growing individual insurance market became an obvious audience for BCBSKC to increase its market share by offering affordable benefit options to consumers. The company had previously partnered with Benefitfocus for an online enrollment system, the Platform. Privately labeled BluesEnrolSM, this technology provides simplified benefits administration delivered via the Internet.



The screenshot shows the Blue KC website interface. At the top, there's a banner with the BlueCross BlueShield of Kansas City logo and a person walking in a field. Below the banner, there's a "Welcome to Blue KC" section with a "Login" and "Help" link. A message states: "Blue KC has plans to suit any individual or family healthcare needs. Please check each insurance type you are interested in shopping for, and then select the Start Shopping button." The main content area is divided into several sections for selecting insurance types:

- Health Insurance** (checked): For children, individuals, and families (under age 65). Includes a "Begin coverage on" dropdown set to 02/01/2010, checkboxes for PPOs and Plans compatible with a Health Savings Account (HSA), and links to "Learn More", "View Brochure for 2009 Plans", and "View Brochure for 2010 Plans".
- Dental Insurance** (checked): For all ages. Includes a "Begin coverage on" dropdown set to 02/01/2010, and links to "Learn More", "View Brochure for 2009 Plans", and "View Brochure for 2010 Plans".
- Medicare Supplement Insurance** (unchecked): For seniors and disabled Medicare beneficiaries. Includes links to "Learn More", "View Brochure for KS Residents", and "View Brochure for MO Residents".
- Missouri Health Insurance Pool** (unchecked): The Missouri Health Insurance Pool is Missouri's alternative mechanism to provide guarantee issue individual coverage to HIPAA eligible individuals. HIPAA eligible Missourians have guaranteed eligibility and health insurance coverage with the MHIP. Includes a link to "Learn More" and a "View Enrollment Form" link.
- Medicare Select Insurance** (unchecked): For cost-conscious Medicare beneficiaries. Includes links to "View Brochure for KS Residents" and "View Brochure for MO Residents".
- Short Term Security Insurance** (unchecked): For college students, individuals and families between jobs. Note: The coverage term of 9 months is for full-time students only. Includes links to "Learn More", "View Brochure for 2009 Plans", and "View Brochure for 2010 Plans".

On the right side, there's an **AGENT INFORMATION** section with the text: "Please type agent or Blue KC marketing representative's name in the boxes below. If you do not have an agent or Blue KC marketing representative, skip the box below and click 'Start Shopping' below to proceed." It includes input fields for "Agent or Rep Name" and "Agent ID (if known)". At the bottom right, there's a large blue button labeled "Start Shopping" with a right arrow.

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With BlueDirect, it takes less than 24 hours to process each application with no more than two people touching each one. This significantly reduces the potential for human error and has decreased BCBSKC costs by 33 percent.”

Roger Foreman, Blue Cross and Blue Shield of Kansas City Executive Vice President and Chief Marketing Officer

With *BluesEnroll*, 95 percent of their group enrollment activity was automated. However, the company's individual insurance offerings were taking weeks to complete via paper enrollment. Handling these applications manually was hindering their ability to process them in a timely fashion. BCBSKC knew it needed to enhance efficiency within the original paper process in order to maximize their opportunities.

The Benefitfocus Platform Offers Online Plan Shopping and Enrollment

BCBSKC extended the services of the Platform to reach its individual market. Privately labeled *BlueDirect*SM, this service supplied the insurance carrier with an efficient and engaging plan selection and purchase experience for its individual consumer market. A portal was created on the company's Web site where consumers could receive an insurance quote and apply online for any one of BCBSKC's direct-purchase plans. Additional functionality allows individual consumers to take advantage of advanced plan comparison tools that provide plan selection options, multimedia sales assistance to help simplify complex concepts and a real-time view of their application status.

In addition to providing a customer-facing Web solution, the Platform helps BCBSKC automate and integrate its direct marketing, sales, underwriting and enrollment. Sales and marketing representatives can easily organize, manage and analyze their campaigns using the technology.

The Platform Implementation Results in Cost, Resource and Time Savings

BCBSKC achieved significant savings in time, cost and resources with the additional Platform services. Previously, paper applications took approximately 13 days to process, with up to eight people handling each application. It now takes less than 24 hours to process each application with no more than two people touching each one. This significantly reduces the potential for human error and has decreased BCBSKC costs by 33 percent.

Of the approximately 3,000 direct pay applications BCBSKC receives each month, more than 3/4 of them now come in online through the Platform. BCBSKC noticed a 14 percent increase in leads generated by direct marketing campaigns. The company uses the prospect management tools within the Platform to connect prospects with marketing campaigns and evaluate the results. By doing this, they are able to track which prospects submit an application in response to a campaign and which ones become BCBSKC members.

Roger Foreman, executive vice president and chief marketing officer at BCBSKC, elaborated on the advantage from the new technology by saying, "BlueDirect has paid for itself with our increased efficiency and lower costs throughout our marketing department. The individual market we have been able to capture is about 18 percent of our total block of business."